

SONDER

Sonder | South Park BID
June 2018





Confidentiality & Disclosure

THIS PRESENTATION CONTAINS SELECTED INFORMATION ABOUT SONDER USA INC. ("SONDER") AND ITS AFFILIATES. THIS PRESENTATION HAS BEEN PREPARED AND IS BEING FURNISHED SOLELY FOR INFORMATIONAL PURPOSES AND SOLELY FOR USE BY YOU IN PRELIMINARY DISCUSSIONS WITH SONDER. THIS PRESENTATION CONTAINS PRELIMINARY INFORMATION ONLY, IS SUBJECT TO CHANGE AT ANY TIME AND IS NOT, AND SHOULD NOT BE ASSUMED TO BE, COMPLETE OR TO CONSTITUTE ALL THE INFORMATION NECESSARY TO ADEQUATELY MAKE A PARTNERSHIP DECISION. NO REPRESENTATION IS MADE AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN. THE CONTENTS OF THIS PRESENTATION ARE NOT TO BE CONSTRUED AS LEGAL, REGULATORY, BUSINESS, ACCOUNTING OR TAX ADVICE. YOU SHOULD CONSULT YOUR OWN ATTORNEY, BUSINESS ADVISOR, ACCOUNTANT AND TAX ADVISOR AS TO LEGAL, REGULATORY, BUSINESS, ACCOUNTING AND TAX ADVICE.

THIS PRESENTATION IS CONFIDENTIAL. ANY REPRODUCTION OR DISTRIBUTION OF THIS PRESENTATION, IN WHOLE OR IN PART, OR THE DISCLOSURE OF THE CONTENTS HEREOF, WITHOUT THE PRIOR WRITTEN CONSENT OF SONDER, IS PROHIBITED. BY RETAINING THE PRESENTATION, YOU ACKNOWLEDGE AND REPRESENT TO SONDER THAT YOU HAVE READ, UNDERSTOOD AND ACCEPT THE TERMS OF THIS PRESENTATION AND ACKNOWLEDGE AND AGREE THAT THE PRESENTATION IS CONFIDENTIAL, NON-PUBLIC AND/OR PROPRIETARY INFORMATION. YOU HEREBY AGREE TO RETURN THIS PRESENTATION TO SONDER PROMPTLY UPON REQUEST.

01 Executive Summary - pg. 4

03 Sonder Clientele - pg. 11

04 Technology - pg. 15

05 Real Estate Benefits - pg. 17

02 Sonder at a Glance - pg. 6

06 Case Studies - pg. 20

07 Our RE Partners - pg. 25

08 Investors - pg. 26

The Future of Hospitality

Sonder is the world's first deconstructed hotel.

Where the stay is just the start of a travel experience built to take our guests further. We've brought the hotel on a field trip to thousands of spaces in the best neighborhoods of all the cities we call home. Combining a consistently high standard of quality and service with spaces designed and outfitted for living, every Sonder space is intended to be a home base for discovery. Where the lobby is on your phone and outside, where the service is unseen but all around, where anything you need is yours at the touch of a button. A space that isn't a refuge from your travels, it's an integral part of expanding upon them.

The deconstructed hotel is shaped by Millennials, for Millennials.



Who is Sonder

Sonder is a Silicon Valley-based hospitality startup at the crossroads of tech and real estate. Sonder master-leases and manages over \$1 billion of outstanding, commercially-zoned buildings or blocks of floors. We fully design and outfit these spaces and host guests for monthly or nightly stays, democratizing travel and rethinking hospitality for the Millennial generation and beyond. Backed by over \$125 million in venture capital funding, Sonder provides guaranteed income and peace of mind for real estate owners.



We Are

Believers in where travel can take us
Supporters, advocates, and citizens of our cities
Inclusive in our approach
Democratizers of good service
Builders not borrowers
Personalized not just stylized
Obsessed with design
Market makers
Respectful of municipal laws
Innovators in physical and digital space
Community citizens

We Are Not

Airbnb
A traditional hotel
Someone's home
Just for the rich
A budget chain
A hostel
A dormitory
Corporate housing
A marketplace
Just transactional

True Sense of Place

Each apartment is lovingly designed from scratch, resulting in an authentically local experience weaved into the building's overall design mosaic.

Only The Best

Sonder owns all of our furniture and supplies, sourced from global partners. Each apartment's contents is estimated at \$20,000 - \$30,000 retail value.

Elevated Design

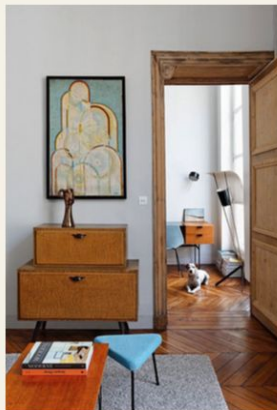
Sonder's spaces and designers have been featured in:

ARCHITECTURAL DIGEST

VOGUE and DECOR

POPSUGAR.

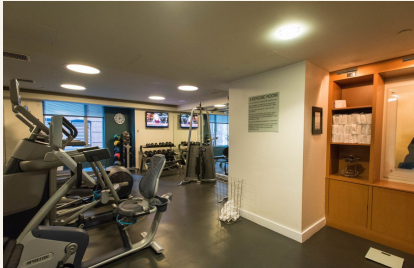
HGTV **dwell**



The Democratization of Travel

Branded Chains

On-site full service



**Studio, King Bed
1 Bathroom**

\$320

Unbranded Hotels

Limited service



**Studio, Full Bed
1 Bathroom**

\$259

Homeshares

No service

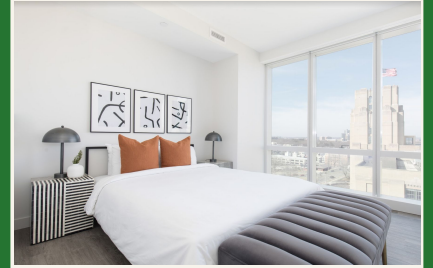


**1 Bedroom, Queen Bed
1 Bathroom**

\$224

SONDER

On-demand full service



**1 Bedroom, King Bed
1 Bathroom**

\$259

By The Numbers

2,500+ Rooms

1,500+ Locations

400+ Real Estate Partners

72% Occupancy **\$215** ADR

\$155 RevPal (Revenue per Available Location)

350,000+ Projected Clients in 2018

34,737 TTM # of Check-Ins

\$125,000,000

Venture Capital and Debt
Financing Raised to Date

\$100,000,000

Revenue Run Rate as of 04/18

Hotel Industry Net
Promoter Score (NPS)



20,000 Emails Answered Monthly

4,000 Calls Answered Monthly

2,000 SMS Interactions Monthly

186 Salaried Employees

78 Hospitality Agents

68 Hourly/Interns/Contractors

4 Call Centers



Our Portfolio



01 - Early adopters of all ages.

02 - Friends with a week of free time and a plane ticket.

03 - Young families that need thoughtful space, not the same old.

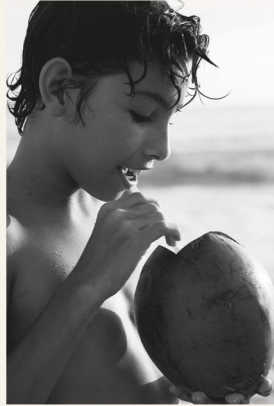
04 - The business traveler looking for the stay less traveled and more reliable.

05 - The individual looking for a place to stay that feels like it was made just for them.

06 - The growing number of us who are tired of cookie cutter, inconsistent, or just too expensive.

07 - Those who crave something more substantial. Who place a premium on experiences.

08 - A diverse and vast group united by a singular desire to make everything in their lives matter more.



Good Neighbor Policy

Common Area Etiquette	Three strike rule for all Sonder staff interacting with building residents; for example, no supplies in the lobby, elevator priority to residents, etc.
Invisible Service Around the Clock	Available 24/7 to all guests and building staff, but out of the way when not needed.
House Rules	Security deposit collected on all stays to ensure full compliance to building rules.
Guest Blacklist	Detailed list of historically fraudulent profiles (names, credit cards, phone numbers, IP addresses).
No Party Policy	Thorough screening, minimum stay requirements, premium pricing and constant monitoring.
Smart Homes	IoT connectivity improves nuisance and noise detection, triggering real-time alerts for decisive action against problem parties.
The Sonder Promise & Service Recovery	All Sonder employees are fully empowered to ensure 100% guest satisfaction and follow-up, reducing negative reviews across all platforms.





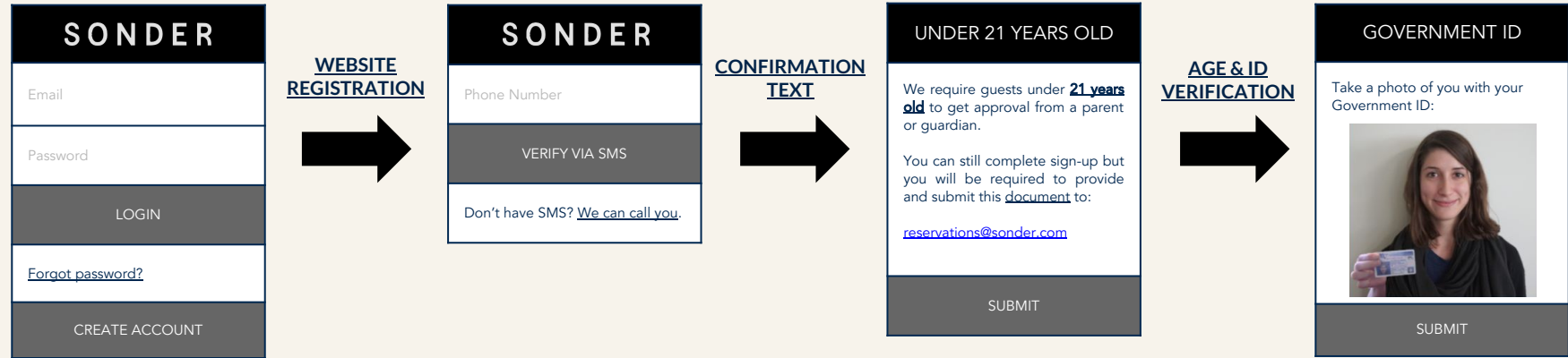
Insurance and Trust & Safety

Sonder employs a four-step verification process and fraud prevention system to ensure all guests are vetted each time. Our dedicated Trust & Safety team utilizes machine learning and cross-references guests against a blacklist. Sonder will be partnering with security technology firms to further enhance our background checks.

DEDICATED INSURANCE

Exclusively through Lloyds of London, all Sonder leased units have commercial-grade \$2 million premises liability and \$6 million excess liability coverage.

LLOYD'S





Adverse Impact Mitigation



Caitlin O'Neill
Director of Public Policy

"Sonder is a public policy thought leader. We're well-versed in the rules and regulations to ensure that each property is rented out according to your city's legal framework. My policy team is dedicated to ensuring regulatory compliance and maintaining relationships with governments, building managers, and residents."

Sonder prevents friction between short-term rental guests and long-term residents through the Good Neighbor Policy.

A negative review about Sonder on any platform has a significant impact on our performance and reputation. Similarly, any indirect negative reference to a building will have consequences.

To this end, Sonder and all of our real estate partners are fully aligned: we must keep our neighbors happy while ensuring great client experiences.



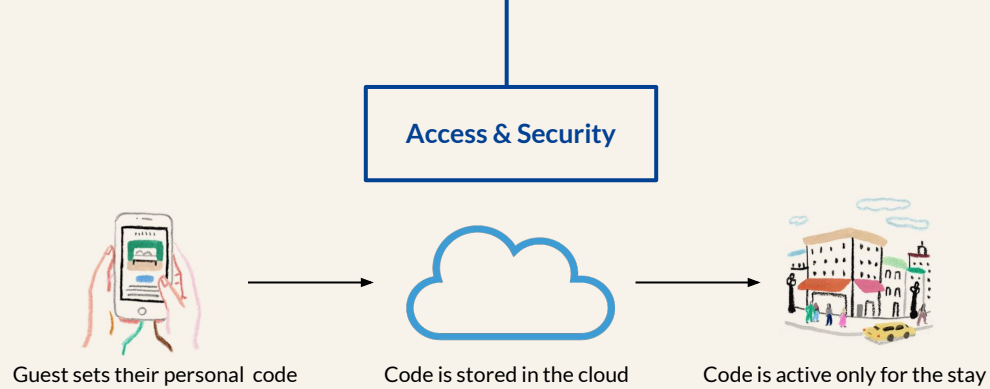
Sonder's team is working on providing seamless guest access with robust security:

Sonder guests create their personal code at booking, which will provide them access to everything they need during their stay.

Codes are unique to each guest and only work during their stay. Sonder staff and vendors have their own unique codes as well.

This system allows Sonder to fully monitor who has accessed all areas of the building at all times. The custom codes also allows for seamless guest experience and increased security. Sonder will always retain a master key.

In future upgrades, keypads will be replaced with proximity readers and biometric scanners.



1. Main Entrance (after hours)



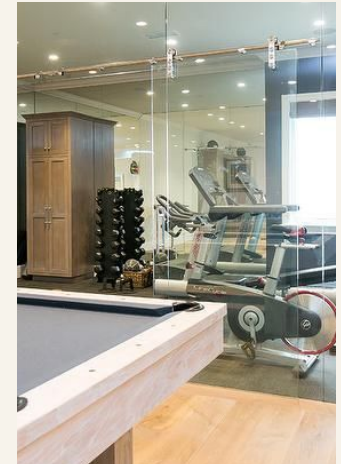
2. Elevators & Corridors



3. Unit Entrance



4. Amenity & Utility Rooms



Tenant-Funded Improvements

All of Sonder's technology must enhance both the guest experience and Sonder's ability to monitor and control guest safety/security. These devices must talk to each other and to Sonder through the Internet of Things, where hospitality meets the connected home.



Keyless Entry

Custom codes activated at check-in and deactivated at check-out.

Codes for cleaners and hospitality agents change daily for security.

WiFi-syncing controlled by HQ; access codes tracked and logged real-time.



Wifi-Enabled Music

Guests set music preferences, and their arrival event triggers music to play.

Connect with a phone, tablet, or laptop to stream music anytime.

And if things get out of hand, Sonder can lower the volume from mission control.



Learning Thermostat

Guests set their desired temperatures in their profile prior to check-in, and the A/C can be running 30 minutes prior to arrival.

When units are unoccupied, Sonder can control the temperature to be environmentally friendly.



Smart TV

Every television is equipped with streaming service for guests to watch all their favorite channels, shows, and movies.

An intercom system allows guests to be connected to a live agent within five seconds for immediate assistance.



Noise Cancelling/Detection

For peaceful nights, guests can enable noise cancelling through the Sonder app.

Noise detection allows Sonder to keep the peace throughout the building. If a unit crosses the decibel threshold after 10 PM, an agent is dispatched to address the disturbance.

Sonder will stabilize existing multifamily properties and pre-lease transitional properties with multi-year leases at market rate.

	Existing Multifamily	Repositioning / Development
Deal Type	Leasing entire residential buildings or floors	<ul style="list-style-type: none"> Commercial Conversion / Adaptive Reuse Ground-up Development
Deal Size	25 - 150 units ¹	5,000 - 100,000 SF
Zoning	In Los Angeles we're focused in Commercial Zones or other zones where we can operate under hotel-use (CR, C1, C1.5, C2, C4, C5, R5 zones)	
Building Code	Conforms with hotel building code ⁴	
Lease Term	3 - 5 years	5 - 10 years
Lease Type ²	<ul style="list-style-type: none"> Gross lease Single or double net leases³ 	
Location	Desirable neighborhoods with excellent walk scores due to close proximity to dining, nightlife, retail, and public transportation.	

¹The number of units that Sonder will lease in an existing multifamily property.

²Leases will include annual rent escalations.

³Single or double net leases only applicable for entire building deals.

⁴Property will need to comply with hotel building code if a hotel license needs to be obtained.

An Ideal Tenant

EXPEDITED LEASE-UP

100% occupancy on day one after completion; no lease-up and no ramp-up.

AAA TENANT

Guaranteed monthly income; on-time, every time. Strong balance sheet, large operating account.

NO VACANCIES

Eliminate vacancies, credit loss, ongoing maintenance, leasing commissions, and turnover costs.

We aim to have spaces and host guests all across Los Angeles, providing varied and genuine local experiences. We're particularly excited by Downtown LA, given current forces that make this booming district an ideal space for Sonder.

Hotel-Use is By-Right

No Conditional Use Permit is required to establish a hotel use in CR, C1, C1.5, C2, C4 or C5 and [Q]R5 zones in the Central City Community Plan area.

Adaptive Reuse

Traditionally being redeveloped as creative office, with 17%+ vacancies, these historic buildings provide ideal frames to be converted to 30-50 apartments for Sonder to lease at more attractive psf than traditional office.

Multi-Family Developments

With a high volume of units coming to market and concessions expanding, vacancies are at 10%+. New residential developments share general building code requirements as hotels, making it possible for Sonder to lease out entire floors under the hotel use pre-launch.

City Support

Positive feedback from city officials as DTLA aims to open 4k new hotel rooms by 2020.



Museum House, London

Deal Type Residential Lease-Up

Sonder Units 10 units

Overview

- 2017 office conversion project on the historic Museum Street in the Bloomsbury area of London.
- Features electronic controlled blinds, wraparound terraces, and iPad controlled music, climate and lighting.
- Sonder leased up the entire residential portion of the mixed-use building with 36 month leases.

Value-Add

- Partner effectively has one rent payment arrive each month, one tenant contact, and a strong operations team maintaining their luxury, build-to-rent asset to the highest standards.



103 Arch Street, Boston

Partner Thibeault Development, LLC

Deal Type Residential Lease-Up

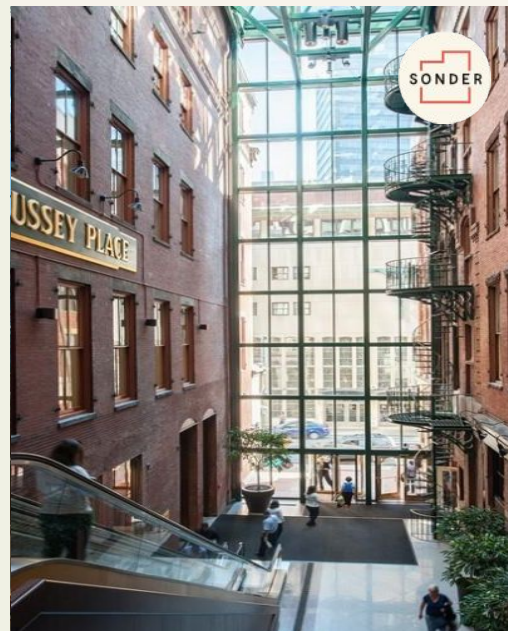
Sonder Units 21 units

Overview

- The property was built in 1899 and provided housing for retired friars. Partner purchased the property in 2012 and partnered with Sonder in June 2016.
- Sonder leased-up the entire residential portion of the building with 36 month leases

Value-Add

- Partner sold the stabilized property for \$13.5 million in April 2017 to the Hoffman Companies



The Pierce, Boston

Partner Samuels & Associates

Deal Type Residential Lease-Up

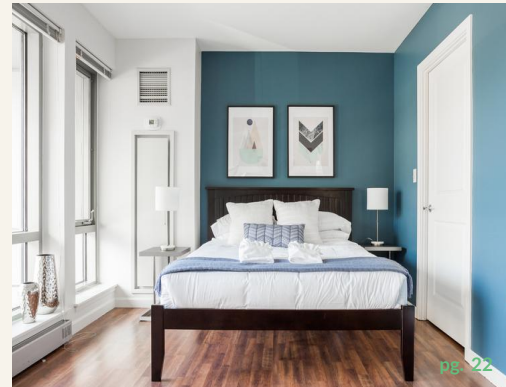
Sonder Units 48 units

Overview

- Partner constructed the 30-story Pierce Boston in 2018 and contains 240 apartment unit, 109 condominium units and retail space.
- The property is conveniently located in the Fenway/Kenmore neighborhood, one-block from Fenway Park and numerous restaurants, shops and bars.

Value-Add

- By taking on 48 units, Sonder allowed Landlord to reach stabilized occupancy significantly faster.



The Louisiana, *San Diego*

Partner	Jeff Svitak Inc.
Deal Type	Residential Lease-Up
Sonder Units	13 units

Overview

- The Louisiana's central focus is the courtyard; private, intimate and connected spaces that provide an escape from outside pressures.
- Features floor-to-ceiling windows, private balconies overlooking the city and loft style units.
- North Park is one of San Diego's trendiest neighborhoods. Coffee shops, craft-beer bars and boutiques are all within a short distance.

Value-Add

- Sonder leased 13 of the 15 units, providing stabilized occupancy for at least 5 years, allowing our partner to secure financing.



Sonder Arts & Crafts, Vancouver

Partner Coromandel Properties

Deal Type Office Conversion

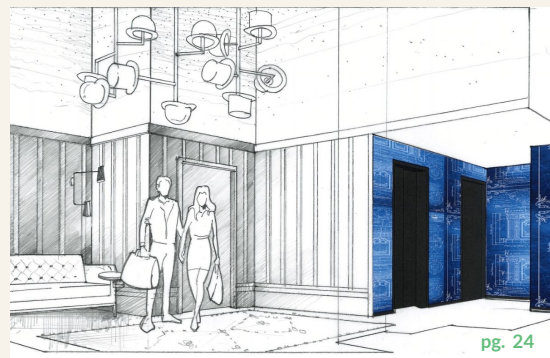
Sonder Units 36 units

Overview

- The Arts & Crafts Building is a historic landmark in Downtown Vancouver. The location has a rich history of creative output. The most recent use was a 6-story office building.
- Sonder is working with our partner to convert the office into a 36-unit deconstructed hotel. Estimated completion: fall 2018.

Value-Add

- Sonder is contracted to manage the property upon completion, giving the developer the ability to proceed with construction and optimize highest and best use through legal short and flexible-term rentals.





J.P.Morgan
Asset Management



Akelius



green
coast
reality



WOOD
REAL ESTATE GROUP
Residential & Commercial



SARES·REGIS Group



PINNACLE
INTERNATIONAL

Samuels
Associates &

AvalonBay
COMMUNITIES, INC.



COROMANDEL
PROPERTIES

JEFF SVITAK INC.



THE TOBONIGROUP
SAN FRANCISCO'S PREMIER BUILDER

FOUNDATION
FOR FORM



WOOD
PARTNERS

Greylock Partners

Greylock Partners has \$3.5 billion in assets under management and is headquartered in Menlo Park, CA. The firm is led by Reid Hoffman who was the Co-Founder and Executive Chairman of LinkedIn. Select investments include: Airbnb, Dropbox, Facebook, Instagram, LinkedIn, Nextdoor and Pandora.

Spark Capital

Spark Capital has \$1.8 billion in assets under management and is headquartered in Boston, MA. The firm is led by Todd Dagres, Paul Conway, Santo Politi and Nabeel Hyatt. Nabeel is a board member of Sonder. Select investments include: AdMeld, Foursquare, Oculus, Postmates, Slack, Twitter, Tumblr, Warby Parker, Wayfair and Wealthfront.

Greenoaks Capital

Greenoaks Capital is headquartered in San Francisco, CA. The firm is led by Neil Mehta and Benny Peretz. Neil is a board member of Sonder. Select investments include: Coupang, Deliveroo, Kattera, Clover Health, Flipkart, OYO, and Robinhood.

BDC Capital

BDC Capital has \$1.0 billion in assets under management and is headquartered in Montréal, QC. The firm is the venture capital arm of the Business Development Bank of Canada. Select investments include: VioChem Pharma (acquired by Vertex), Radian 6 (acquired by Salesforce), Q1 Labs (acquired by IBM) and Layer 7 (acquired by CA Technologies).

Structure Capital

Structure Capital is headquartered in San Francisco, CA. The firm is led by Jillian Manus, Jacob Shea and Mike Walsh. Select investments include: Breather, Cargomatic, Laurel & Wolf, Salesforce, Shyp and Uber.

Thayer Ventures

Thayer Ventures is currently investing out of Thayer Ventures Fund III, a \$100 million fund, and is headquartered in San Francisco, CA. The firm invests in technology companies with a focus on the travel and hospitality industry. Select investments include Duetto, Hipmunk, MyBookingPal and Social Tables.

Real Ventures

Real Ventures is headquartered in Montréal, QC. The firm accelerates companies through FounderFuel, which is the most active seed stage investor in Canada. Select investments include: Blockstream, Breather, Frank & Oak and Varagesale.

In good company...



U B E R



tumblr.



KATERRA



WARBY PARKER

Sonder's Origin Story



Our business started in 2012, but the real story of Sonder starts two years later in 2014, when we visited San Francisco for the first time. We were eager to see the city, but our trip got off to a shaky start.

We'd booked an apartment and we were having a hard time getting in touch with our host. When we arrived at the apartment with all of our luggage, no one was there. After many unreturned messages, we finally connected, and learned there was a key under the mat.

The apartment didn't look like it was ready for visitors. There was half-eaten food in the fridge and dog hair blanketing the furniture. When Lucas's allergies started acting up, we realized we'd have to find another place to stay.

We booked a hotel room downtown, and arrived to find comfortable beds with fresh white linens. Nothing exciting, but no dog hair at least. There weren't too many restaurants in the area, so we ate at a generic chain and went back to our room.

What if there was a place as reliable as a hotel, but with all the warmth and character of a home?

That's why we founded Sonder — because you shouldn't have to choose between great service and an authentic travel experience.

Happy travels,

Francis + Lucas



SONDER

A good place that takes
you to a better one

Thousands of
spaces in fifteen cities
and counting

Boston SAN DIEGO Los Angeles
toronto New Orleans Miami
Chicago Vancouver Montreal
Rome New York

Taking Stay
Further

sonder.com



Thank You

Maria-Fe Razetto
General Manager
Los Angeles
(617) 615-5189
mariafe.razetto@sonder.com

Jason Istrin
Head of Real Estate
Los Angeles
(310) 909-3980
jason.istrin@sonder.com